



CCPA-17

July 6, 1970

This is in further reply to your letter of April 3, 1970, concerning the application of section 304, Title III, of the Consumer Credit Protection Act, effective July 1, 1970.

Section 304 provides a restriction on discharge from employment by reason of the fact that an employee's earnings have been subjected to garnishment for any one indebtedness. We interpret the term "subjected to garnishment" to mean any legal or equitable procedure through which the earnings of any individual are required to be withheld for payment of any debt, and the resulting court order is legally binding on the garnishee. The term "one indebtedness" refers to a single debt, regardless of the number of levies made, or proceedings instituted, or creditors seeking satisfaction.

The answer to your question (3) turns upon the meaning of the words "subjected to garnishment for any one indebtedness", as used in section 304(a). There is a subjection to garnishment when the employer is legally bound to make deductions from the earnings of an employee. If a pending garnishment absorbs fully the wages which are not exempt from garnishment, and an employer (garnishee) is therefore not bound to make deductions for a second garnishment until the satisfaction of the first garnishment, there could be no lawful discharge from employment under section 304 until he is bound to make deductions to satisfy the second garnishment.

Sincerely,

Robert D. Moran
Administrator